

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Winthrop Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: February 28, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on September 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

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Winthrop Retirement System
January 1, 2017 Actuarial Valuation

Total appropriation increasing 4.0% until FY27 with final amortization payment in FY28

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2018	1,505,429	215,000	1,601,298	53,317	3,375,044	15,036,899	
2019	1,573,173	215,000	1,668,555	53,317	3,510,046	14,372,949	4.0%
2020	1,643,966	215,000	1,738,164	53,317	3,650,448	13,589,559	4.0%
2021	1,717,945	215,000	1,863,521		3,796,465	12,675,579	4.0%
2022	1,795,252	215,000	1,938,072		3,948,324	11,618,962	4.0%
2023	1,876,039	215,000	2,015,218		4,106,257	10,406,707	4.0%
2024	1,960,460	215,000	2,095,047		4,270,507	9,024,776	4.0%
2025	2,048,681	215,000	2,177,647		4,441,328	7,458,026	4.0%
2026	2,140,872	215,000	2,263,109		4,618,981	5,690,120	4.0%
2027	2,237,211	215,000	2,351,529		4,803,740	3,703,438	4.0%
2028	2,337,885	215,000	1,496,224		4,049,110	1,478,983	-15.7%
2029	2,443,090	215,000			2,658,090	0	-34.4%

All amounts assume payments will be made September 1 of each fiscal year.

Normal cost includes expenses of \$400,000 and is assumed to increase 4.5% each year.

FY18 appropriation was maintained at the same level as the prior schedule.